HOME FEDERAL BANK

.March **4.** 2004

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

RE: Docket No. R-I **18**1

Dear Ms. Johnson,

In response to the joint interagency Notice of Proposed Rulemaking regarding the Community Reinvestment Act, we wish to state the following:

Current CRA law now classifies a bank that reaches $250 million in assets **as** a "big-bank" for CRA purposes. The regulatory burden of becoming a "big-bank" is so much greater than "small-bank" that we believe the bar should be raised. There has been substantial institutional asset growth within banks over the last several years. And with all the mergers and acquisitions that have taken place, "small" really has a new meaning from what it meant when the law was originally enacted.

Further, a smaller Community bank with fewer than $500 million in assets should be placing the time, money and energy into doing more in the community (the true spirit of the law) that it is currently spending to comply with CRA requirements for "big-banks".

We agree with the proposed change. with the exception that we believe consideration should be given to making the maximum asset size for a small bank more, perhaps $750 million. With the number of multi-billion dollar asset banks, and now even trillion, **this** does not seem unreasonable.

Thank you.

HOME FEDERAL BANK

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